

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Joint)	Application No. NG-0039
Application of Kinder Morgan,)	
Inc., Source Gas Distribution)	
LLC, Source Gas Holdings LLC,)	
Source Gas LLC and Source Gas)	
Merger Co for approval of (1))	
the proposed transfer of all)	ORDER ADOPTING
Kinder Morgan, Inc.'s certifi-)	PROTECTIVE ORDER
cates of public convenience and)	
necessity and utility assets and)	
properties to Source Gas Dis-)	
tribution LLC; and (2) the)	
proposed change of control of)	
Source Gas Distribution LLC from)	
Kinder Morgan, Inc. to Source)	
Gas LLC.)	Entered: November 8, 2006

BY THE COMMISSION:

PROTECTIVE ORDER

1. This Protective Order shall govern the use of all confidential information and documents produced by, or on behalf of, any Participant. Notwithstanding any order terminating this proceeding, this Protective Order shall remain in effect until specifically modified or terminated by the Nebraska Public Service Commission (Commission).

2. In accordance with the procedures set forth in Neb. Admin. Code, Title 291, Ch. 9, Rule 005.01 (Confidential Information), a Participant may designate as protected those materials which customarily are treated by that Participant as sensitive and proprietary, which are not available to the public, in which, if disclosed freely, would subject that Participant or its customers to risk of competitive disadvantage or other business injury.

3. Definitions -- For purposes of this Protective Order:

a. The term "Participant" shall mean a Participant as defined as Applicant Kinder Morgan, Inc. (KMI), Source Gas Distribution LLC f/k/a KM Retail LLC (SGD)(collectively the Kinder Morgan Companies), Source Gas Holdings LLC (SGH), Source Gas LLC (SG), Source Gas Merger Co. (SGM) (collectively the Source Gas Companies) (and together with Kinder Morgan Companies, the Applicants), and any other necessary or permitted party in the above-captioned or any related proceeding.

b. (1) The term "Confidential Material" means (a) materials (including depositions) provided by a Participant in the proceedings, workpapers, contracts, formulas and/or responses to discovery requests and designated by such Participant as protected pursuant to the procedure set forth in this Protective Order; (b) any information contained in or obtained from such designated materials; (c) any other materials which are designated to be subject to this Protective Order pursuant to the procedure set forth in this Protective Order by the Kinder Morgan Companies, by the Source Gas Companies, by the Commission, or its Staff, by the Public Advocate, by any Court or other body having appropriate authority, or by agreement of the Participants; (d) notes of Confidential Materials; and (e) copies of Confidential Materials. The Participant producing the

Confidential Materials shall physically mark them as "CONFIDENTIAL" or with words of similar import as long as the term "Confidential Materials" is included in that designation to indicate that they are Confidential Materials in accordance with the Commission's Proposed Rules of Practice and Procedure and other applicable representations. See Neb. Admin. Code, Title 219, Ch. 9, Rule 005.01 (2003).

(2) The term "Notes of Confidential Materials" means memoranda, handwritten notes, or any other form of information (including electronic form) which copies or discloses materials described in Paragraph 3(b)(1). Notes of Confidential Materials are subject to the same restrictions provided in this Protective Order for Confidential Materials except as specifically provided in this Protective Order.

(3) Confidential Materials shall not include (a) any information or document contained in the files of the Commission, or any other federal or state agency, or any federal or state court, unless the information or document has been determined to be protected by such agency or court, or (b) information that is public knowledge, or which becomes public knowledge, other than through disclosure in violation of this Protective Order.

c. The term "Non-Disclosure Certificate" shall mean the certificate annexed hereto by which Participants who have been granted access to Confidential Materials shall certify their understanding that such access to Confidential Materials is provided pursuant to the terms and restrictions of this Protective Order, and that such Participants have read the Protective Order and agree to be bound by it. All Non-Disclosure Certificates shall be served on all parties on the official service list maintained by the Commission in this proceeding.

d. The term "Reviewing Representative" shall mean a person who has signed a Non-Disclosure Certificate and who is:

- (1) The Public Advocate;
- (2) an attorney who has made an appearance in this proceeding for a Participant;
- (3) attorneys, paralegals, and other employees associated for purposes of this case with an attorney described in (2);
- (4) an expert or an employee of an expert retained by a Participant or the Public Advocate for the purpose of advising, preparing for, or testifying in this proceeding;

(5) a person designated as a Reviewing Representative by order of a Presiding Judge or the Commission; or

(6) employees or other representatives of Participants appearing in this proceeding with significant responsibility for this docket.

4. Confidential Materials shall be made available under the terms of this Protective Order only to Participants and only through their Reviewing Representatives as provided in Paragraphs 7, 8, and 9.

5. Confidential Materials shall remain available to Participants until the later of the date that an order terminating this proceeding becomes no longer subject to judicial review, or the date that any other Commission proceeding relating to the Confidential Material is concluded and is no longer subject to judicial review. If requested to do so in writing after that date, the Participants shall, within fifteen (15) days of such request, return the Confidential Materials (excluding Notes of Confidential Materials) to the Participant that produced them, or shall destroy the materials, except that copies of filings, official transcripts and exhibits in this proceeding that contain Confidential Materials, and Notes of Confidential Material may be retained, if they are maintained in accordance with Paragraph 6 below. Within such time period each Participant, if requested to do, shall also submit to the producing

Participant an affidavit stating that, to the best of its knowledge, all Confidential Materials and Notes of Confidential Materials have been returned or have been destroyed or will be maintained in accordance with Paragraph 6. To the extent Confidential Materials are not returned or destroyed, they shall remain subject to the Protective Order.

6. All Confidential Materials shall be maintained by the Participant in a secure place. Access to those materials shall be limited to those Reviewing Representatives specifically authorized pursuant to Paragraphs 8 and 9. The Commission shall place any Confidential Materials filed with the Commission in a non-public file in accordance with its Rules and Regulations. By placing such documents in a non-public file, the Commission is not making a determination of any claim of privilege. The Commission retains the right to make determinations regarding any claim of privilege and the discretion to release information necessary to carry out its jurisdictional responsibilities. Disclosure of "Confidential Materials" shall be governed by *Neb. Rev. Stat. § 66-1829*.

7. Confidential Materials shall be treated as confidential by each Participant and by the Reviewing Representative in accordance with the certificate executed pursuant to Paragraph 9. Confidential Materials shall not be used except as necessary for the conduct of this proceeding, nor shall they be disclosed in any manner to any person except a

Reviewing Representative who is engaged in the conduct of this proceeding and who needs to know the information in order to carry out that person's responsibilities in this proceeding and who qualifies for access to such material pursuant to Paragraph 3(d) hereof. Reviewing Representatives may make copies of Confidential Materials, but such copies become Confidential Materials. Reviewing Representatives may make notes of Confidential Materials, which shall be treated as Confidential Materials if the notes disclose the contents of Confidential Materials.

8. a. If a Reviewing Representative's scope of employment includes the marketing, purchasing, or sale of energy, the direct supervision of any employee or employees whose duties include the marketing, purchasing, or sale of energy, the provision of consulting services to any person whose duties include the marketing, purchasing, or sale of energy, or the direct supervision of any employee or employees who duties include the marketing, purchasing, or sale of energy, such Reviewing Representative may be prohibited from reviewing material designated by the Kinder Morgan Companies and/or the Source Gas Companies as Confidential Material pursuant to the terms of this Protective Order. If Kinder Morgan Companies and the Source Gas Companies consent to the review, then the Reviewing Representative may not use information contained by any

Confidential Materials obtained through this proceeding to give any Participant or any competitor of any Participant a commercial advantage. If the Kinder Morgan Companies and the Source Gas Companies do not consent to such review, any dispute as to whether such Reviewing Representative may review material designated by the Kinder Morgan Companies and/or the Source Gas Companies as Confidential material pursuant to the terms of this Protective Order may be submitted to the Commission or any reviewing court for resolution.

b. In the event that a Participant wishes to designate as a Reviewing Representative a person not described in Paragraph 3(d) above, the Participant shall seek agreement from the Participant providing the Confidential Materials. If an agreement is reached, that person shall be a Reviewing Representative pursuant to Paragraph 3(d) above with respect to those materials. If no agreement is reached, the Participant may submit the disputed designation to the Commission or any reviewing court for resolution.

9. a. A Reviewing Representative shall not be permitted to inspect, participate in discussions regarding, or otherwise be permitted access to Confidential Materials pursuant to this Protective Order unless that Reviewing Representative has first executed a Non-Disclosure Certificate provided that if an

attorney qualified as a Reviewing Representative has executed such a certificate, the paralegals, secretarial and clerical personnel under the attorney's instruction, supervision or control need not do so. A copy of each Non-Disclosure Certificate shall be provided to counsel for the Participant asserting confidentiality prior to disclosure of any Confidential Material to that Reviewing Representative.

b. Attorneys qualified as Reviewing Representatives are responsible for ensuring that persons under their supervision or control comply with this Protective Order.

10. Any Reviewing Representative may disclose Confidential Materials to any other Reviewing Representative as long as the disclosing Reviewing Representative and the receiving Reviewing Representative both have executed a Non-Disclosure Certificate and the receiving Reviewing Representatives qualifies for access to that type of material under Paragraph 3(d). In the event that any Reviewing Representative to whom the Confidential Materials are disclosed ceases to be engaged in these proceedings, or is employed or retained for a position whose occupant is not qualified to be a Reviewing Representative under Paragraph 3(d), access to Confidential Materials by that person shall be terminated. Even if no longer engaged in this proceeding, every person who has executed a Non-Disclosure Certificate shall continue to be bound by the provisions of this Protective Order and the certification.

11. Subject to Paragraph 17, the Commission or its designee shall resolve any disputes arising under this Protective Order. Prior to presenting any dispute under this Protective Order to the Commission or its designee, the parties to the dispute shall use their best efforts to resolve it. Any Participant that contests the designation of materials as protected shall notify the party that provided the Confidential Materials by specifying in writing the materials whose designation is contested. In any challenge to the designation of materials as protected, the burden of proof shall be on the Participant seeking protection. After consideration of the criteria set forth in *Neb. Rev. Stat. § 66-1829*, if the Commission finds that the materials at issue are not entitled to protection, the procedures of Paragraph 17 shall apply.

12. All copies of all documents reflecting Confidential Materials, including the portion of the hearing testimony, exhibits, transcripts, briefs and other documents which refer to Confidential Materials, shall be filed and served in sealed envelopes or other appropriate containers endorsed to the effect that they are sealed pursuant to this Protective Order and in accordance with Proposed Rule 5 of the Commission's Regulation. *Neb. Admin. Code, Title 291, Ch. 9, Rule 005*. Such documents shall be marked "CONFIDENTIAL" and shall be filed under seal and served under seal upon the Commission and all Reviewing Representatives who are on the service list in accordance with

Commission Confidential Material Rules and Regulations. For anything filed under seal, redacted versions, or where an entire document is protected, a letter indicating such will also be filed with the Commission and served on all parties on the service list. Counsel for the producing Participant shall provide to all Participants who request the same, a list of Reviewing Representatives who are entitled to receive such material. Counsel shall take all reasonable precautions necessary to assure that Confidential Materials are not distributed to unauthorized persons.

If any Participant desires to include, utilize or refer to any Confidential Materials or information derived therefrom in testimony or exhibits during the hearing in these proceedings in such a manner that might require disclosure of such material to persons other than reviewing representatives, such Participant shall first notify both Counsel for the disclosing Participant and the Commission of such desire, identifying with particularity each of the Confidential Materials. Thereafter, use of such Confidential Material will be governed by procedures determined by the Commission in accordance with the provisions of the State Natural Gas Regulation Act, *Neb. Rev. Stat.* §§ 66-1801 et seq. and its Rules and Regulations.

13. Nothing in this Protective Order shall be construed as precluding any Participant from objecting to the use of Confidential Materials on any legal grounds.

14. Nothing in this Protective Order shall preclude any Participant from requesting the Commission, or any other body having appropriate authority, to find that this Protective Order should not apply to all or any materials previously designated as Confidential Materials pursuant to this Protective Order. The Commission may alter or amend this Protective Order as circumstances warrant at any time during the course of this proceeding.

15. Each party governed by this Protective Order has the right to seek changes in it as appropriate from the Presiding Judge or Commission.

16. All Confidential Materials filed with the Commission or any other judicial or administrative body in support of or as a part of a motion, other pleading, brief, or other document, shall be filed and served in sealed envelopes or other appropriate containers bearing prominent markings indicating that the contents include Confidential Materials subject to this Protective Order.

17. If the Commission finds at any time in the course of this proceeding that all or part of the Confidential Materials need not be protected, those materials shall, nevertheless, be subject to the protection afforded by this Protective Order for five (5) business days from the date of issuance of the Commission's decision, and if the Participant seeking protection files an interlocutory appeal, for an additional seven (7) business

days. None of the Participants waives its rights to seek additional administrative or judicial remedies after the Commission's decisions respecting Confidential Materials or Reviewing Representatives, or the Commission's denial of any appeal thereof.

18. Nothing in this Protective Order shall be deemed to preclude any Participant from independently seeking through discovery in any other administrative or judicial proceeding information or materials produced in this proceeding under this Protective Order.

19. None of the Participants waives the right to pursue any other legal or equitable remedies that may be available in the event of actual or anticipated disclosure of Confidential Materials.

20. The contents of Confidential Materials or any other form of information that copies or discloses Confidential Materials shall not be disclosed to anyone other than in accordance with this Protective Order and shall be used only in connection with this (these) proceeding(s). Any violation of this Protective Order and any Non-Disclosure Certificate executed hereunder shall constitute a violation of any order of the Commission.

MADE AND ENTERED at Lincoln, Nebraska, this 8th day of
November, 2006.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Chair

ATTEST:

Executive Director

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Joint) Application No. NG-0039
Application of Kinder Morgan,)
Inc., Source Gas Distribution LLC,)
Source Gas Holdings LLC, Source)
Gas LLC and Source Gas Merger Co)
for approval of (1) the proposed)
transfer of all Kinder Morgan,)
Inc.'s certificates of public)
convenience and necessity and)
utility assets and properties to)
Source Gas Distribution LLC; and)
(2) the proposed change of control)
of Source Gas Distribution LLC)
from Kinder Morgan, Inc. to Source)
Gas LLC.)
)

NON-DISCLOSURE CERTIFICATE

I hereby certify my understanding that access to Confidential Material is provided to me pursuant to the terms and restrictions of the Protective Order in this proceeding, that I have been given a copy of and have read the Protective Order, and that I agree to be bound by it. I understand that the contents of the Confidential Materials, any notes or other memoranda, or any other form of information that copies or discloses Confidential Materials shall not be disclosed to anyone other than in accordance with that Protective Order. I acknowledge that a violation of this certificate constitutes a violation of an order of the Nebraska Public Service Commission.

By:

Title:

Representing:

Date: _____